# Blue Ribbon Commission on Transportation
# Investment Strategies Committee

**Final Meeting Summary**
**May 12, 1999**

*Approved June 9,1999*

**Present:** Dale Stedman, Chair, R. Ted Bottiger, Don Briscoe, Senator Mary Margaret Haugen, Peter Hurley, Bettie Ingham, Jennifer Joly, Patricia Otley, Representative Maryann Mitchell, Charles Mott

**Absent:** Bill Lampson, Vice Chair, Arthur D. Jackson, Jr., John Kelly

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The Chair called the meeting to order at 8:35 a.m. He reviewed the minutes from the April 14th meeting and asked for any proposed revisions. Committee members noted that the date was incorrect and that some comments from the end of the meeting were not included. Staff reported that these issues are addressed in the issue paper on road maintenance and rehabilitation. The Committee approved the minutes from the previous meeting with the revisions. Anne Fennessy gave a brief overview of the communications plan and asked Commissioners to fill out a form with information about contacts in the media, agencies, or constituents. The forms are to be mailed back to Cocker Fennessy when completed.

### Overview of Transportation Needs

Daniel Malarkey, committee staff, presented a brief overview of the current transportation needs cataloged by various agencies for the State of Washington. The Washington Transportation Plan estimates service objective needs for 1997-2016 of $104 billion, while the available funding with trend revenue increases is only $57 billion. This creates an unmet need of approximately $50 billion or $2.5 billion per year. He explained the process for identifying "needs" and described some problems with the estimates. He also reviewed approaches to closing the funding gap which include: increase funding, constrain plans to available resources, employ user charges to pay for new capacity, extend the use of consistent analytic tools among jurisdictions, and consolidate planning and funding authority in regional or state bodies.

### Using User Fees to Pay for New Road Facilities: WA's Recent Experience

Jerry Ellis, Director of the WSDOT Transportation Economic Partners Program, described Washington's recent experience with the public-private partnerships initiative. According to Ellis, public-private partnerships have the potential to construct new transportation projects that could not be funded without the use of user fees or tolls. The public sector could benefit from the cost and time efficiencies from working in partnership with the private sector. However, private sector involvement is dependent on viable project economics and public sector support. She reviewed the events in the legislature between 1993 – 1999 governing public-private partnerships, including the 1995 Engrossed Substitute House Bill (3ESHB 1317) requiring advisory elections on projects with public opposition. The Committee discussed the precedent set by the November 1998 vote on the Tacoma Narrows Bridge project and the potential difficulties it creates in proceeding with similar projects in other locations.

According to Ellis, though not all projects can be tolled, some projects can be successful if public support exists and the state funds part of the project development. Committee members asked about the viability of public-private partnerships for projects other than bridges. Ellis thought that if a road has closed-access entry and exit at one point, it might be feasible. However, increasing capacity on an existing road with tolls is much less likely. There must be a viable non-tolled alternative, and the new tolled project must provide tremendous value over existing facilities. Entire new roadway projects tend to be the best candidates for toll roads.

Committee members pointed out that while much of the public opposition to the public-private initiatives program was because of the imposition of tolls, some of the opposition had more to do with perceptions of granting undue economic advantage to the firms granted the bridge or road franchise. Publicly owned toll authorities instead of public-private partnerships provide an alternative model for charging users fees for new road and bridge capacity.

**Chair's Report**

Chairman Dale Stedman discussed the approaches to reaching agreement on findings in preparation for the September retreat. Gerald Cormick, a negotiation consultant to the Commission, will lend his expertise to help structure a plan on how to reach consensus on a statement of the problems and an outline of solutions.

In June, the Committee will address the land-use and transportation issue as well as hearing from bus transit operators. [At their request, the transit presentation to the Committee will be postponed until July.] Some Committee members felt that discussing both transit and land-use in the same meeting may not provide sufficient time for either subjects. If necessary, the Committee can call back experts to further clarify issues.

The Committee discussed the afternoon Full Commission Meeting and gave an opportunity for those Committee members presenting case studies to review their presentations.

**Approaches to Selecting Optimal Transportation Investments**

Scott Rutherford, Professor of Civil & Environmental Engineering at the University of Washington, gave an overview of the different analytical techniques available to transportation planners to decide on transportation investments. Using a benefit-cost ratio is a fairly objective way to prioritize projects; however, it is not able to take into account factors that may be important but not quantifiable. He presented 16 different categories of factors to consider including transportation system performance, mobility, accessibility, system coordination and integration, land use, freight, socioeconomic, environmental, energy, safety, equity, costs, cost effectiveness, financial arrangements, institutional factors, and an other category that contained issues of right of way and enforcement.

Currently, the Washington State Department of Transportation (WSDOT) weighs projects according to the criteria of cost-effectiveness (65%), community support (14%), environment (8%), mode integration (7%), and land use (6%). This criterion is applied to prioritize road and highway projects valuing almost $380 million each year, about 10% of the total public spending on transportation. The WSDOT benefit-cost ratio looks at benefits of travel-time savings for passenger and freight movement, user-operating savings, and accident reduction to compare with the costs of construction, environmental retrofit, preliminary engineering, and annual operating and maintenance to determine the cost effectiveness.

When Committee members asked for general approaches to closing the gap between needs and funding, Rutherford recommended strategies that would raise the marginal cost of traveling in congested conditions to levels closer to their true social costs. Such policies would include toll, parking charges, and pay-at-the-pump insurance. He also recommended looking at ways to leverage private dollars for transportation investments that yield significant localized benefits.

The meeting was adjourned at 12:00 p.m.